

# MEMORANDUM

To: Members of the House Committee on Appropriations

From: Jennifer Smith, Director of Government Relations  
Aaron Keel, Assistant Director of Government Relations  
Michigan Association of School Boards

**RE: Support of House Bill 4388**

Date: December 9, 2015

We write today in support of House Bill 4388, sponsored by Rep. McCready, which would expand the use of sinking funds to include school security and technology improvements. Expanding the use of sinking funds has been a legislative priority of MASB for years, and we are very pleased to see the House Committee on Appropriations give consideration to this much needed legislation.

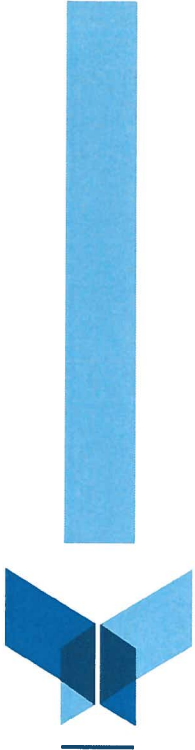
For schools across the State, sinking funds are a less costly alternative to bonding when needing to purchase new technology or upgrade school security. When bonds are issued, the interest and borrowing costs are passed along to taxpayers. With sinking funds, however, there are no interest payments or borrowing costs. Voter approved sinking funds are the ultimate way to give taxpayers a greater say in the matter and save money and give a district an additional tool to meet its growing demands.

Much has changed since the passage of Proposal A in 1994, perhaps none more so than in the world of technology and security. We all want our children to be safe when they leave the house every morning, and we also want our children to have the latest, greatest and best technology so that they can compete in the global economy for the jobs of tomorrow. This bill would allow schools to more easily make needed investments in each of those categories with the limited resources they have.

We believe it's time to take a closer look at how schools are financed. House Bill 4388 is an important step in that direction that would allow schools a less costly alternative to make investments in two very important resources.

**We urge support of House Bill 4388.**

Thank you for your consideration of this legislation and our position. If you have any questions, please feel free to contact us.



**MASB**  
MICHIGAN ASSOCIATION  
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